Bridging the Program-Procurement Gap to Improve Acquisition Outcomes

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Today's acquisition challenges require that we move beyond 'throwing the requirement over the transom' to a new level of partnership between program and procurement organizations.

How can we bridge the gap and work together toward shared goals and objectives?

This presentation will offer some ideas to reduce the gap.

Topics

- **Today's Common Situation**
- **Why Bridge the Gap**
- **Nature of Program Management & Contracting**
- **Ways to Close the Gap**
- **Common Understandings**
- **Bridging the Gaps**
- **Bottom Line**

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Improve Acquisition Outcomes

PMO

Contracting Office

Today's Common Situation

- PMs work acquisition strategy / acquisition plan / PWS / SOWs and initial market research
- KOs review documentation and provide comments (known to some as grading homework)
- KOs complain about poor quality acquisition documentation
- PMs complain about lack of support

Why Bridge the Gap?

- **Provide a better product to the customer**
- **Reduce the time to award**
- **Reduce the amount of re-work**

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The Nature of Program Management

Program Managers…

- **are cost/schedule driven**
- **are graded on ability to execute funding quickly**
- **want to satisfy their customers**
- **are seeking the best solution—looking for the what can be, not what can't be done**
- **are not experts in contracting or contract law**
- **have been given many directions and have had many reviews prior to the**

The Nature of Contracting

- **High work load; acquisition planning is low priority compared with late contract actions**
- **KOs will often trade schedule for compliance to reduce risk in contracting process**
- **KOs must focus on compliance and balance between competing interests**
  - **KOs often seen as "the bad guy" –**
    - **Doesn't meet PM needs**
    - **Doesn't meet Legal needs**
    - **Doesn't meet Small Business needs**

Ways to Close the Gaps

- **Common understanding of pre-award**
- **Common understanding about Contract Administration and Program Management**
- **Understand where <u>flexibility</u> exists in the process**

PMs/KOs can Find Common Ground

Common Understandings: Pre-Award

KO must balance Mission with Regulatory Compliance – Minimal Flexibility

PM must balance Mission with Cost / Schedule / Performance Goals

Complete understanding of requirements is <u>critical and necessary</u>

- Desired outcomes
- Are requirements severable or integrated
- Commercial availability
- Looking for innovation
- Amount of government direction
- How do we measure success?

Market research drives acquisition strategy

- Sources sought, discussions with industry, surveys, industry day, studies
- Business environment and business value
- Small business analysis
- Anticipated competition

Common Understandings: Pre-Award

PM must balance Mission with Cost / Schedule / Performance Goals

KO must balance Mission with Regulatory Compliance – Minimal Flexibility

Special circumstances must be identified early and addressed as a team

- Limited competition or sole source
- Severe time constraints
- Incremental funding
- Governmental oversight or regulation
- Political interest

Entire Integrated Product Team should determine optimal contract type

- Organizational preference
- Nature of the requirements
- Market research
- Special circumstances
- Regulatory compliance all influence contract type

Common Understandings: Source Selection Process

PM must take personal interest and influence evaluation criteria

KO/SSEB will balance Mission with Risk.

KO has moderate flexibility to be creative

What is most important to you? PM should take personal interest and influence evaluation criteria

- Technical
- Management
- Responsiveness to change
- Inserting new technology
- Organizational Conflict of Interest
- Innovation
- Improve efficiency over time
- Past performance
- Personnel stability
- Effective use of subs

Oral presentations are a great option

- Meet and evaluate key personnel who will execute project
- Have contractor demonstrate same/similar capability
- Understand plan to meet our needs
- Much more effective than reading a proposal

Common Understandings: Contract Administration and Program

PMs have set the stage for surveillance in the acquisition strategy or plan

KO will balance Mission with Risk. KO has significant flexibility to be creative

Surveillance strategy should be determined early and documented in acquisition strategy

- Resources available
- Measurement
- Quality standards
- Incentives/disincentives
- Contractor quality assurance plan
- Earned value management
- Continuous process improvement

Contractor performance management is a team effort between PM and KO

- Keep detailed records
- KO has many tools to assist PM in accomplishing mission, not all are bad for the contractor
- Involve KO before poor performance becomes major issue
- Keep KO informed

Common Understanding of Process Flexibility

Understand where flexibility exists in the process

- **KOs want to accomplish the mission within reasonable risk levels**
- **Compliance with laws, regulations, and directives limits their flexibility**
- **PMs want to accomplish the mission within cost and schedule**
- **Both must understand that there are varying levels of flexibility during different phases of the acquisition cycle**

Flexibility is greatest during the Planning Stage

Observations

- **Early engagement in the planning process is critical**
- **Translation of desired outcomes into source selection is critical**
- **Managing the performance requires continuous interaction**

Improve Acquisition Outcomes Summary

PMO & Contracting Office

Bridging the Gaps

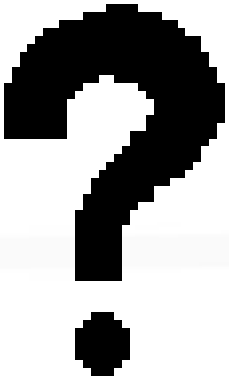
- Train PMs on the contracting process
- Train KOs on the program/project management process
- Use PM/KO teams through out the process
- Train KO to be business advisors

Bottom Line

Follow the vision of the FAR:

- **1.102(a) Statement of guiding principles for the Federal Acquisition System**
- The vision for the Federal Acquisition System is to **deliver on a timely basis the best value product or service to the customer**, while maintaining the public's trust and fulfilling public policy objectives. Participants should **work together as a team** and should be empowered to make decisions within their areas of responsibility

Questions & Comments



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